



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

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December 3, 2004

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

RAMON J. HIRSIG
Executive Director
No. 2004/074

ASSESSORS' HANDBOOK SECTION 581
EQUIPMENT INDEX AND PERCENT GOOD FACTORS

Enclosed is the year 2004 revision of Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*, which was approved by the Board on November 4, 2004. This annual revision includes updates to the equipment index and percent good factors tables and examples in the text. Also included are valuation factors for computer equipment and semiconductor equipment and guidelines for the valuation of biopharmaceutical industry equipment and fixtures.

An additional update was made to the agricultural and construction mobile equipment percent good table that has historically included new and used percent good factors. Revenue and Taxation Code section 401.16 provides that in cases where the taxpayer does not indicate if the property was first acquired new or first acquired used, the new and used factors may be averaged. Therefore, the percent good tables for new and used agricultural and construction mobile equipment were modified to include factors that represent an average of the new and used factors. Factors that were previously provided in Table 5, are now provided in two separate tables. A separate table is provided to present the new, used, and average percent good factors for construction mobile equipment and another table is provided to present the new, used, and average percent good factors for agricultural mobile equipment.

The AH 581 will be posted to the Board's Web site at www.boe.ca.gov, and can be accessed by first selecting "Property Taxes" and then selecting "Assessors' Handbook." Copies are also available on disk upon request to the Assessment Policy and Standards Division (916) 445-4982.

If you have any questions, please contact Mr. Lloyd Allred at (916) 324-7361.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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Enclosures